



Have you purchased merchandise from out-of-state retailers without paying California tax? If so, you may owe

California Use Tax

In 1935, the use tax was established to protect California businesses from tax free out-of-state competition. California use tax is like sales tax—that is, if you purchase merchandise from a retailer in California and sales tax applies, use tax will generally apply if you purchase the same or similar merchandise from an out-of-state retailer who does not collect and report California tax.

Generally, you are required to report and pay the use tax if you purchase merchandise from out of state (for example, over the Internet, by mail order, in person, or by telephone) without paying California tax and you use, store, give away, or otherwise consume the merchandise in this state.

There are exceptions of course. For example, you may have purchased items that are not subject to tax, such as cold food items, prescription medicines, and business inventory held for resale.

The use tax rate is the same as the sales tax rate in your area. To find the tax rate for where you live, get our publication 71, *California City and County Sales and Use Tax Rates*, by calling our Information Center at 800-400-7115 or by going to our website at www.boe.ca.gov/pdf/pub71.pdf.

You can learn more about use tax and when it applies, by going to our website at www.boe.ca.gov/sutax/faqusetax.htm.

Please see the other side for information on how to report and pay use tax.

How do I report and pay use tax?

If you hold an active California seller's permit with the Board of Equalization (BOE) and purchase items for your business that are subject to use tax, you must report and pay that use tax on your sales and use tax return.

If you are not required to hold a seller's permit, you have two choices:

1. You may report and pay the use tax with your California state income tax return. Just follow the instructions included with your return.*
2. You may report and pay the use tax to BOE on a special tax return included in publication 79-B, *California Use Tax*. The publication can be found on our website at www.boe.ca.gov/pdf/pub79b.pdf.

**Vehicles, Vessels, Aircraft, and Mobile Homes*

If you owe use tax for these purchases, do not report and pay this use tax on your California state income tax return. For information on how to properly report and pay use tax on these purchases, please review the frequently asked questions at our website www.boe.ca.gov/sutax/faqtrans.htm or call our Information Center.

Publications with additional use tax information:

110-California Use Tax Basics

www.boe.ca.gov/pdf/pub110.pdf

112-Purchases From Out-of-State Vendors

www.boe.ca.gov/pdf/pub112.pdf

How can I find out more?

For more information, go to our website at www.boe.ca.gov or call our Information Center weekdays from 8 a.m. – 5 p.m. except holidays at 800-400-7115.

(TDD/TTY 800-735-2929)